

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

**MEDALLION FINANCIAL CORP.,
ANDREW MURSTEIN, LAWRENCE MEYERS AND
ICHABOD'S CRANIUM, INC.,**

Defendants.

No. 21-cv-11125 (LAK)

**DECLARATION OF KAREN E. WILLENKEN IN SUPPORT OF PLAINTIFF'S
MOTION TO STRIKE CERTAIN EXHIBITS SUBMITTED BY DEFENDANTS IN
SUPPORT OF THEIR MOTION TO DISMISS THE AMENDED COMPLAINT**

I, Karen E. Willenken, pursuant to 28 U.S.C. § 1746, do hereby declare as follows:

1. I am employed as a Senior Counsel in the Enforcement Division in the New York Regional Office of the applicant Securities and Exchange Commission ("Commission"). I am a member of the bar of this Court.

2. I make this Declaration in support of the Commission's Motion to Strike Certain Exhibits Submitted by Defendants in Support of Their Motion to Dismiss the Amended Complaint (the "Motion").

3. I participated in the drafting of the Amended Complaint filed in this action on April 26, 2022.

4. Paragraph 145 of the Amended Complaint described negotiations with a consumer lender in which Defendant Andrew Murstein proposed that the consumer lender acquire 2% of Medallion Bank. Paragraph 145 included the following quotation from an

unspecified document discussing this proposal: “Medallion Bank will be valued at 10 times 2017 projected earnings of \$35,000,000 or \$350,000,000.”

5. In their opposition to the SEC’s motion to strike, Defendants Murstein and Medallion Financial Corp. argued that the Amended Complaint referenced, and *included a “direct quote from,”* a draft agreement that the Defendants had submitted as Exhibit 6 to a declaration filed in support of their motion to dismiss the Amended Complaint (DE 61, the “Mastro Declaration”). *See* DE 72 at 4-5.

6. Defendants are mistaken. In fact, the ¶ 145 of the Amended Complaint did not quote from a draft agreement, but from an email sent by Defendant Murstein. Attached as Exhibit A is the email, with the quoted language highlighted.

7. By contrast, the draft agreement at Exhibit 6 contains the following language, which is highlighted in the exhibit as submitted by the Defendants: “**Note to draft:** number of shares to be calculated based on a \$2 million investment at a \$350 million postmoney valuation.” (Emphasis in original.) Nothing else in Exhibit 6 appears to be relevant to the Defendants’ claim that the Amended Complaint includes a “direct quote from” from the draft agreement excerpted at Exhibit 6.

8. For the Court’s convenience, the table below compares the highlighted language in the attached Exhibit A with the highlighted language quoted in Exhibit 6 to the Mastro Declaration.

Exhibit A	Defendants’ Exhibit 6
Medallion Bank will be valued at 10 times 2017 projected earnings of \$35,000,000 or \$350,000,000.	Note to draft: number of shares to be calculated based on a \$2 million investment at a \$350 million postmoney valuation.

Executed on July 28, 2022
New York, New York

A handwritten signature in cursive script, reading "Karen Willenken".

Karen E. Willenken